

# **NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

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## **STATE BOARD OF EDUCATION CONSIDERS CHANGES TO FINANCIAL EXIGENCY POLICY**

The State Board of Education convened a special meeting today to consider proposed changes to their policy on financial exigency. The Board has had policies and procedures related to financial exigency in place for many years; however, the current policies are outdated and somewhat ambiguous. Financial exigency is defined by the Board as “a demonstrably bona fide financial crisis that adversely affects an agency, institution or school as a whole, or one (1) or more programs, or other distinct units.” Financial exigency can only exist upon Board declaration.

Although the current financial situation in the state promoted a review of the Board’s policies and procedures dealing with a financial emergency; there are no plans at this time for the Board to declare financial exigency. Rather, the Board is instituting precautionary measures and ensuring that their policies and procedures are up-to-date.

“Revenue shortfalls have reminded us of the importance of ensuring that our policies and procedures give our college and university presidents the flexibility they may need to deal with additional holdbacks should they become necessary.” – Blake Hall, Board President

The Board has worked closely with the administration at the college and universities to ensure that these updates are workable. The proposed policy requirements provide clarification for initiating financial exigency related layoffs, allow chief executive officers the ability to institute actions other than layoffs in response to a declared financial exigency, and provide clear planning and appeal procedures for Board entities to follow when responding to a declared financial exigency.

The Board’s internal procedures provide for two readings before any proposed policy change can take effect. Another meeting is anticipated in June to consider the proposed policy for final approval. The Board intends to have the changes in place before the end of June, prior to the issuing of new contracts for college and university employees.

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